Saskatchewan
Ministry of
Agriculture

This information is provided as a resource by Saskatchewan Agriculture staff.
All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
Please use this information at your own risk.

Cattle Market Update

For the Week Ending February 1, 2013

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Feeder Cattle

Steers

	Range	Average	Change from last week
300-400	160-184	167.50	n/a
400-500	150-170	159.25	+0.50
500-600	140-161	148.00	+1.62
600-700	132-150	139.10	+2.72
700-800	126-138	132.30	+0.92
800-900	123-135	127.33	+1.66
900+	114-127	120.40	+0.40

Heifers

	Range	Average	Change from last week
300-400	136-165	148.33	+1.41
400-500	131-148	140.92	-0.18
500-600	123-142	133.40	+1.27
600-700	116-133	124.64	+1.44
700-800	114-123	119.71	+1.58
800+	110-116	116.50	+4.00

Source: Canfax.
Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week.

Canfax reported that 15,116 head of cattle were sold in Saskatchewan this week compared to 8,391 head marketed during the previous week.

Feeder cattle prices increased overall from the previous week. Average feeder steer prices increased between $0.40 and $2.72 from the previous week. Average feeder heifer prices ranged from $0.18 lower in the 400-500 lb. heifer weight category, to $4.00 higher in the 800+ category.

The benchmark 500-600 lb. feeder steer average price increased $1.62 per cwt to $148.00 per cwt while the 500-600 lb. feeder heifer average price increased $1.27 per cwt to $133.40 per cwt. The steer to heifer price spread increased to $14.60 per cwt compared to $14.25 per cwt the previous week.

The Saskatchewan 750 lb. feeder steer basis compared to the January 31, 2013 U.S. feeder cattle index at US$146.27 per cwt was calculated at -$13.58 per cwt, an improvement of $0.73 per cwt from the previous week.

The nearby U.S. live and feeder cattle futures prices moved higher last week. The news last week that Japan would now allow imports of beef from cattle under 30 months of age effective February 1, 2013, was positive for the markets. The USDA's *January Cattle Inventory Report* last week will also be positive going forward for pricing as a smaller calf crop in 2012 and projected for 2013 will continue to tighten calf supplies.

On Friday, February 1, 2013, the United States Department of Agriculture (USDA) released the *January Cattle Inventory Report*. The total inventory of cattle and calves in the United States as of January 1, 2013 totaled 89.300 million head, down 1.6 per cent from 90.769 million head on January 1, 2012. This is the lowest January inventory level since 1952. This was slightly better than the average trade estimates of a 1.8 per cent decrease, year-over-year.

Total inventory of cows and heifers that calved totaled 38.515 million head on January 1, 2013, down 2.2 per cent from 39.387 million head on January 1, 2012. This was the lowest inventory of all cows and heifers that calved in January since 1941. The beef cow herd totaled 29.295 million head as of January 1, 2013, down 2.9 per cent from 30.158 million head on January 1, 2012. This was a larger decline than the pre-report estimates of a 1.5 per cent decline. The beef cow replacements totaled 5.361 million head, up 1.9 per cent from 5.262 million head on January 1, 2012. The 2012 calf crop was revised lower to 34.279 million head from the 34.500 million head estimated in July. The 2012 calf crop was 2.9 per cent lower than the 35.313 million head calf crop in 2011.

Cattle Inventory by Class and Calf Crop - United States: January 1, 2012 and 2013

Class	2012	2013	Percent
	(1,000 head)	(1,000 head)	Change
Cattle and calves	90,768.5	89,299.6	-1.618%
Cows and heifers that have calved	39,387.4	38,515.2	-2.214%
Beef Cows	30,157.9	29,295.3	-2.860%
Milk Cows	9,229.5	9,219.9	-0.104%
Heifers 500 pounds and over	19,337.8	19,128.9	-1.080%
For beef cow replacement	5,261.6	5,360.6	1.882%
Expected to calve (1)	3,221.3	3,280.3	1.832%
For milk cow replacement	4,622.0	4,550.7	-1.543%
Expeceted to calve (1)	3,064.9	2,928.4	-4.454%
Other heifers	9,454.2	9,217.6	-2.503%
Steers 500 pounds and over	15,832.5	15,812.7	-0.125%
Bulls 500 pounds and over	2,096.0	2,055.8	-1.918%
Calves under 500 pounds	14,114.8	13,787.0	-2.322%
Cattle on feed	14,121.4	13,351.7	-5.451%
	2011	2012	% Change
Calf Crop	35,313.2	34,279.0	-2.929%

(1) Replacement heifers expected to calve during the year.

Source: USDA, National Agricultural Statistics Service

Steers weighing 500 pounds and over totaled 15.813 million head as of January 1, 2013, down slightly from 15.833 million head as of January 1, 2012. Calves under 500 pounds totaled 13.787 million head as of January 1, 2013, down 2.3 per cent from 14.115 million head as of January 1, 2012. Total cattle on feed as of January 1, 2013 totaled 13.352 million head, down 5.4 per cent from January 1, 2012.

Fed and Non-fed Cattle

	February 1	January 25	Change
Steers			
Live	n/a	n/a	n/a
Rail	n/a	n/a	n/a
Heifers			
Live	n/a	n/a	n/a
Rail	n/a	191.00-192.00	n/a
Cows (Alberta)			
D1,2 Live	72.92	73.33	-0.41
D3 Live	65.56	65.00	+0.56
Rail	140.00-145.00	140.00-145.00	0

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were mixed from the previous week with D1,2 slaughter cows decreasing $0.41 per cwt to average $72.92 per cwt, while D3 slaughter cows increased $0.56 per cwt to average $65.56 per cwt.

Fed cattle prices in Western Canada moved higher with the price of fed steers in Alberta reported at $116.24 per cwt, up one per cent from $115.10 per cwt the previous week. The fed cattle basis (Alberta cash to U.S. 5-area cash) was calculated at -$8.60 per cwt. The U.S. live cattle futures market moved higher last week reacting positive to the USDA cattle on feed report and news that Japan would reduce import restrictions. Live cattle futures for the February 2013 to December 2013 contracts increased between US$0.725 per cwt and US$1.475 per cwt, week-over-week (Friday).

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$125.18 per cwt, up 2.1 per cent from US$122.60 per cwt the previous week. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$201.14 per cwt, up 1.6 per cent from US$198.03 per cwt the previous week.

Average beef cutout values (Choice 600-900 lb.) for the week ending February 2 averaged US$185.83 per cwt, down 1.7 per cent from US$188.95 per cwt the previous week, but up 1.4 per cent from US$183.34 per cwt for the same week a year ago.

U.S. beef production last week for the week ending February 2 was estimated at 495.5 million lb., down 0.9 per cent from 495.5 million lb. during the previous week, but up 6.5 per cent from 465.1 million lb. a year ago.

Friday Price Information

Product		This Week (February 1)	Week of: (January 25)
Canadian Dollar (closing rate US$)		1.0027	.9935
United States Dollar Index		79.185	80.425
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		146.27	145.17
Seven-day Weighted Average FC Index Wt. (lb.)		758	749
Live Fed 5-area Steer Price (US$ per cwt)		125.18	122.60
Feed Grains			
Barley	Lethbridge ($/tonne)	280.00	278.00
	($ per bu.)	6.10	6.05
Corn	Iowa State Average (CDN$/tonne)*	290.93	286.89
	(US$ per bu.)	7.41	7.24
	Omaha, NE (CDN$/tonne)*	301.14	295.61
	(US$ per bu.)	7.67	7.46
Futures			
	March Corn (US$ per bu.) at expiry	7.36	7.20¾
	July Corn (US$ per bu.)	7.28¾	7.12¾
	February Live Cattle (US$ per cwt)	127.100	126.300
	June Live Cattle (US$ per cwt)	127.750	126.525
	March Feeder Cattle (US$ per cwt)	149.200	147.950
	October Feeder Cattle (US$ per cwt)	162.275	162.325

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate

For more information contact:
Grant Zalinko PAg
Provincial Cattle Analyst
306-787-6607
grant.zalinko@gov.sk.ca